

A bill for an act
relating to retirement; permitting certain Minnesota State Colleges and
Universities System tenured faculty to elect defined benefit plan retirement
coverage; amending Minnesota Statutes 2008, section 354B.21, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2008, section 354B.21, subdivision 2, is amended to read:

Subd. 2. **Coverage; election.** ~~(a) For Eligible persons who were employed by
the former state university system or the former community college system before May
1, 1995, the person has the retirement coverage that the person had for employment
immediately before May 1, 1995.~~

~~(b) For all other eligible persons~~ (a) Eligible persons who were employed by
the Minnesota State Colleges and Universities System on or after June 30, 2009,
unless otherwise specified in this section, ~~the eligible person is~~ are authorized to elect
prospective Teachers Retirement Association plan coverage rather than coverage by
the plan established by this chapter. The election of prospective Teachers Retirement
Association plan coverage ~~shall~~ must be made within one year of commencing eligible
Minnesota State Colleges and Universities system employment. If an election is not made
within the specified election period due to a termination of Minnesota State Colleges and
Universities system employment, an election may be made within 90 days of returning to
eligible Minnesota State Colleges and Universities system employment. All elections are
irrevocable. ~~Prior to~~ Before making an election, the eligible person ~~shall be~~ is covered by
the plan indicated as default coverage under subdivision 3.

(b) Except as provided in paragraph (c), a purchase of service credit in the Teachers
Retirement Association plan for any period or periods of Minnesota State Colleges and

Universities system employment occurring ~~prior to~~ before the election under paragraph ~~(b)~~ (a) is prohibited.

(c) Notwithstanding paragraphs (a) and (b), a faculty member who is a member of the individual retirement account plan who first achieves tenure or its equivalent at a Minnesota state college or university after June 30, 2009, may elect to transfer retirement coverage under the teachers retirement plan within one year of the faculty member achieving tenure or its equivalent at a Minnesota state college or university. The faculty member electing Teachers Retirement Association coverage under this paragraph must purchase service credit in the Teachers Retirement Association for the entire period of time covered under the individual retirement account plan and the purchase payment amount must be determined under section 356.551. The Teachers Retirement Association may charge a faculty member transferring coverage a reasonable fee to cover the costs associated with computing the actuarial cost of purchasing service credit and making the transfer. A faculty member transferring from the individual retirement account plan to the Teachers Retirement Association may use any balances to the credit of the faculty member in the individual retirement account plan, any balances to the credit of the faculty member in the higher education supplemental retirement plan established under chapter 354C, or any source specified in section 356.441, subdivision 1, to purchase the service credit in the Teachers Retirement Association. If the total amount of payments under this paragraph are less than the total purchase payment amount under section 356.551, the payment amounts must be refunded to the applicable source. The retirement coverage transfer and service credit purchase authority under this paragraph expires with respect to any Minnesota State Colleges and Universities System faculty initially hired after June 30, 2014.

EFFECTIVE DATE. This section is effective July 1, 2009.